

TOWN OF STELLARTON
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2026



Contents

	<u>Page</u>
Management's Responsibility for Financial Reporting	1
Independent Auditors' Report	2 - 3
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Changes in Net Financial Debt	6
Consolidated Statement of Cash Flows	7
Schedules to Consolidated Statement of Operations	8 - 13
Notes to the Consolidated Financial Statements	14 - 25
Consolidated Schedule of Tangible Capital Assets	26
Consolidated Schedule of Segmented Disclosure	27 - 28
Supplementary Schedules	
Water Utility - Operating Fund - Schedule of Financial Position	29
Water Utility - Operating Fund - Schedule of Financial Operations	30
Water Utility - Capital Fund - Schedule of Financial Position	31
Water Utility - Schedule of Investment in Plant and Equipment	32
Water Utility - Schedule of Investment in Capital Assets	32
Water Utility - Schedule of Depreciation Funds	32

Town of Stellarton

Management's Responsibility for Financial Reporting

March 31, 2026

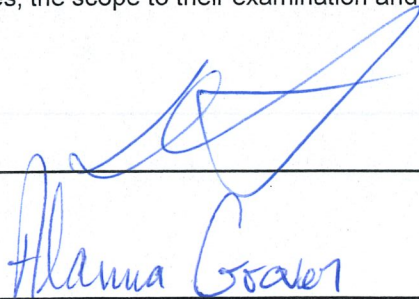
The accompanying consolidated financial statements of Town of Stellarton are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of the estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town maintains systems of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Doane Grant Thornton LLP, independent external auditors appointed by the Town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope to their examination and their opinion of the Town's consolidated financial statements.

Mayor


Alanna Crocker

Chief Administrative Officer

09/14/2026

Date

Independent auditor's report

Doane Grant Thornton LLP
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To the Mayor and Council of the Town of Stellarton

Opinion

We have audited the consolidated financial statements of Town of Stellarton (the "Town"), which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Town of Stellarton as at March 31, 2026, and its results of operations, its changes in its net financial assets (debt), and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters - Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on pages 29 - 32 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of consolidated financial statements as a whole.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

New Glasgow, Canada
September 14, 2026

Doane Grant Thornton LLP
Chartered Professional Accountants

Town of Stellarton

Consolidated Statement of Financial Position

March 31

2026

2025

Financial Assets

Cash and cash equivalents	\$ 5,762,634	\$ 4,864,355
Receivables		
Taxes (Note 2)	550,834	377,831
Water rates (net of allowance - \$12,000; 2025 - \$12,000)	169,887	152,488
Federal / Provincial government	209,359	407,784
Harmonized sales tax receivable	70,413	161,683
Trade accounts (net of allowance - \$6,000; 2025 - \$6,000)	135,082	109,041
Land held for resale (Note 1)	193,558	-
Total Financial Assets	7,091,767	6,073,182

Financial Liabilities

Accounts payable and accrued liabilities	1,242,857	1,089,228
Deferred revenue (Note 11)	1,015,234	1,742,926
Sick leave benefit liability (Note 12)	480,300	457,000
Long term debt (Note 4)	8,469,418	7,238,545
Asset retirement obligation (Note 9)	239,488	229,327
Total Financial Liabilities	11,447,297	10,757,026

Net Financial Debt

(4,355,530)	(4,683,844)
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Non-Financial Assets (Liabilities)

Capital assets, net of accumulated amortization (page 26)	38,563,742	38,108,280
Deferred capital contributions, net of accumulated amortization	(252,193)	(262,486)
Prepaid expenses	35,893	-
	38,347,442	37,845,794

Accumulated Surplus

\$ 33,991,912	\$ 33,161,950
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Commitments (Note 7)

Contingencies (Note 8)

On Behalf of the Town of Stellarton

Mayor

Chief Administrative Officer

Town of Stellarton

Consolidated Statement of Operations

Year Ended March 31

2026

2025

	Page	Budget (Note 10)	Actual	Actual
Revenue				
Taxes	8	\$ 7,829,787	\$ 7,810,264	\$ 7,594,443
Water rates	8	2,014,896	2,040,782	1,818,572
Grants in lieu of taxes	9	200,672	212,979	211,644
Services provided to other local governments	9	87,000	161,155	131,847
Sale of services	9	35,500	32,463	35,618
Other revenue from own sources	9	89,882	453,120	473,622
Unconditional transfers from other governments	9	500,684	500,684	500,684
Conditional transfers from other governments	9	106,000	104,396	106,384
Capital contributions and grants	10	1,499,800	1,408,797	2,251,881
Total Revenue		<u>12,364,221</u>	<u>12,724,640</u>	<u>13,124,695</u>
Expenses				
General government services	11	1,326,533	1,246,038	1,486,958
Protective services	11	2,861,265	2,911,537	2,689,309
Transportation services	12	3,616,782	3,430,923	3,315,503
Environmental health services	12	1,111,462	1,150,652	1,015,527
Environmental development services	12	125,533	258,734	1,231,021
Recreation and cultural services	13	845,717	1,027,150	910,136
Water treatment and distribution services	13	1,813,286	1,869,644	1,575,931
Total Expenses		<u>11,700,578</u>	<u>11,894,678</u>	<u>12,224,385</u>
Annual Surplus		<u>\$ 663,643</u>	<u>\$ 829,962</u>	<u>\$ 900,310</u>
Accumulated Surplus, beginning of year			\$ 33,161,950	\$ 32,261,640
Annual Surplus			<u>829,962</u>	<u>900,310</u>
Accumulated Surplus, end of year			<u>\$ 33,991,912</u>	<u>\$ 33,161,950</u>

Town of Stellarton**Consolidated Statement of Changes in Net Financial Debt**

Year Ended March 31

Budget

2026

2025

(Note 10)

Annual Surplus	\$ 663,643	\$ 829,962	\$ 900,310
Changes in Tangible Capital Assets			
Acquisition of capital assets	(3,824,050)	(2,762,698)	(5,800,331)
Amortization of capital assets	1,280,000	2,168,829	2,080,455
(Gain) loss on sale of assets	-	(99,914)	(21,298)
Proceeds on sale of assets	-	228,028	21,483
Writedown on disposition of assets	-	-	77,384
	<u>(2,544,050)</u>	<u>(383,891)</u>	<u>(3,642,307)</u>
Decrease in prepaid expenses	<u>-</u>	<u>(35,893)</u>	<u>12,325</u>
Change in Net Financial Debt	<u>(1,880,407)</u>	<u>410,178</u>	<u>(2,729,672)</u>
Net Financial Debt, beginning of year	<u>(4,683,844)</u>	<u>(4,683,844)</u>	<u>(1,954,172)</u>
Net Financial Debt, end of year	<u><u>\$ (6,564,251)</u></u>	<u><u>\$ (4,273,666)</u></u>	<u><u>\$ (4,683,844)</u></u>

Town of Stellarton

Consolidated Statement of Cash Flows

Year Ended March 31

2026

2025

Net inflow (outflow) of cash and cash equivalents related to the following activities:

Operating

Annual surplus (deficit)	\$ 829,962	\$ 900,310
Amortization, net of deferred capital contributions	2,168,829	2,080,455
(Gain) loss from disposal of tangible capital assets	(99,914)	(21,298)
(Gain) loss from disposal of land held for resale	-	(116,174)
Writedown of land held for resale	-	970,167
Purchase land for resale	(193,558)	-
Writedown on disposition of tangible capital assets	-	77,384
Accretion expense	10,161	11,098
	<u>2,797,344</u>	<u>3,901,942</u>

Change in non-cash working capital

Taxes receivable	(173,003)	(73,381)
Government capital grants receivable	198,425	(48,071)
Water rates receivable	(17,399)	(22,101)
Trade accounts and harmonized sales tax receivables	65,229	(157,946)
Accounts payable and accrued liabilities	153,629	(181,555)
Deferred revenue	(727,692)	936,508
Sick leave benefit liability	23,300	32,800
Prepaid expenses	(35,893)	12,325
	<u>(35,893)</u>	<u>12,325</u>

Net change in cash from operations

	<u>2,283,940</u>	<u>4,400,521</u>
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Capital

Purchase of tangible capital assets	(2,762,698)	(5,800,331)
Proceeds from disposal of tangible capital assets	228,028	21,483
Proceeds from disposal of land held for resale	-	474,694
	<u>(2,534,670)</u>	<u>(5,304,154)</u>

Financing

Long term debt issued	2,080,000	361,300
Long term debt repaid	(849,127)	(812,997)
	<u>1,230,873</u>	<u>(451,697)</u>

Change in cash and cash equivalents

	980,143	(1,355,330)
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Cash and cash equivalents

Beginning of year	<u>4,864,355</u>	<u>6,219,685</u>
End of year	<u>\$ 5,844,498</u>	<u>\$ 4,864,355</u>

Town of Stellarton

Schedules to Consolidated Statement of Operations

Year Ended March 31

2026

2025

	Budget	Actual	Actual
Taxes			
Assessable property			
Residential	\$ 4,434,013	\$ 4,561,353	\$ 4,292,969
Commercial	3,960,752	3,822,193	3,839,461
Resource	15,125	14,833	15,059
Other	100	114	112
	<u>8,409,990</u>	<u>8,398,493</u>	<u>8,147,601</u>
Special tax agreements			
Sewer Charge	250,000	-	-
Bell Aliant - based on revenues	17,000	16,873	17,996
Nova Scotia Power Inc - Grant in lieu of taxes	14,000	15,298	15,146
Nova Scotia Power Inc - HST rebate	20,000	28,825	38,022
Other - Heritage Gas	7,000	9,658	8,825
	<u>308,000</u>	<u>70,654</u>	<u>79,989</u>
Other			
Deed transfer tax	100,000	190,224	157,003
Marketing levy	-	139,093	135,182
Total tax levied	<u>8,817,990</u>	<u>8,798,464</u>	<u>8,519,775</u>
Less taxes collected on behalf of others:			
Regional centre for education	(988,203)	(988,200)	(925,332)
Provincial correctional service	-	-	-
Regional housing authority	-	-	-
	<u>(988,203)</u>	<u>(988,200)</u>	<u>(925,332)</u>
	<u>\$ 7,829,787</u>	<u>\$ 7,810,264</u>	<u>\$ 7,594,443</u>

Water rates

Metered sales	\$ 348,920	\$ 343,211	\$ 306,838
Flat rate sales	1,286,200	1,318,155	1,170,774
Public fire protection	375,576	375,576	336,660
Special services	4,200	3,840	4,300
	<u>\$ 2,014,896</u>	<u>\$ 2,040,782</u>	<u>\$ 1,818,572</u>

Town of Stellarton

Schedules to Consolidated Statement of Operations

Year Ended March 31

2026

2025

	Budget	Actual	Actual
Grants in lieu of taxes			
Federal government	\$ 28,741	\$ 41,091	\$ 31,046
Federal government agencies	11,662	11,662	12,130
Provincial government			
Fire Protection	79,288	79,245	83,883
Department of Mines	80,671	80,671	84,275
Department of Transportation and Industry	310	310	310
	<u>\$ 200,672</u>	<u>\$ 212,979</u>	<u>\$ 211,644</u>

Other revenue from own sources

Services provided to other local governments	\$ 87,000	\$ 161,155	\$ 131,847
Sale of services			
Police services	22,500	5,394	5,381
Recreation services	5,000	8,782	8,835
Planning and development	8,000	18,287	21,402
	<u>35,500</u>	<u>32,463</u>	<u>35,618</u>
Other			
Licenses and permits	2,000	2,190	3,550
Fines	7,582	18,240	22,093
Gain on sale of assets	-	183,579	137,472
Interest	42,000	179,794	231,941
Penalties and interest on taxes	30,000	61,003	58,233
Miscellaneous	8,300	8,314	20,333
	<u>89,882</u>	<u>453,120</u>	<u>473,622</u>
	<u>\$ 212,382</u>	<u>\$ 646,738</u>	<u>\$ 641,087</u>

Transfers from government

Unconditional transfers from other governments

Provincial government			
Municipal Financial Capacity Grant	\$ 500,684	\$ 500,684	\$ 500,684

Conditional transfers from other governments

Federal government			
Culture and wage grants	\$ 6,000	\$ 4,396	\$ 6,384
Provincial government			
Safe communities funding	100,000	100,000	100,000
Wages and other grants	-	-	-
	<u>\$ 106,000</u>	<u>\$ 104,396</u>	<u>\$ 106,384</u>

Town of Stellarton**Schedules to Consolidated Statement of Operations**

Year Ended March 31

20262025

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Capital contributions and grants			
Canada Community-Building Fund	\$ 344,300	\$ 334,300	\$ 471,579
Federal / Provincial ICIP funding	-	-	1,272,643
	-	-	477,659
	-	-	20,000
Provincial GRID funding	805,500	1,025,862	-
Provincial Recreation funding	300,000	3,635	-
Contributions	-	45,000	10,000
Transfer from operating reserve	50,000	-	-
	<u>\$ 1,499,800</u>	<u>\$ 1,408,797</u>	<u>\$ 2,251,881</u>

Town of Stellarton

Schedules to Consolidated Statement of Operations

Year Ended March 31

2026

2025

	Budget	Actual	Actual
General government services			
Legislative	\$ 128,070	\$ 112,939	\$ 126,472
General administration	600,337	570,181	592,075
Office building maintenance	175,270	142,372	158,922
Professional services	62,000	26,203	116,878
Election	-	151	23,802
Damage claims	20,000	2,883	16,093
Insurance	98,700	92,447	89,939
Miscellaneous	22,200	17,915	17,065
	<u>978,507</u>	<u>852,152</u>	<u>1,014,774</u>
Grants to other organizations	113,156	140,633	119,332
Community Advisory Board	800	650	750
Interest and service charges	10,000	9,416	9,514
Taxation exemptions	20,000	18,000	19,500
Assessment services	53,000	54,106	51,913
Loss on disposition of assets	-	-	77,384
Valuation allowance	3,000	-	-
	<u>199,956</u>	<u>222,805</u>	<u>278,393</u>
	1,306,533	1,187,896	1,419,639
Sick leave benefit	-	23,300	32,800
Accretion	-	6,196	5,873
Amortization	20,000	28,646	28,646
	<u>\$ 1,326,533</u>	<u>\$ 1,246,038</u>	<u>\$ 1,486,958</u>
Protective services			
Police protection			
Crime investigation, prevention and protection	\$ 2,490,303	\$ 2,529,084	\$ 2,331,042
Traffic control	28,430	29,331	27,523
Animal control	10,200	10,075	9,965
Safe communities	1,000	1,490	330
	<u>2,529,933</u>	<u>2,569,980</u>	<u>2,368,860</u>
Fire protection			
Fire fighting force	67,800	71,811	67,899
Fire stations and buildings	121,089	121,877	106,784
	<u>188,889</u>	<u>193,688</u>	<u>174,683</u>
Emergency measures	9,080	6,736	7,397
Joint fire inspector	1,000	-	-
Interest on long term debt	32,363	31,343	33,652
	<u>42,443</u>	<u>38,079</u>	<u>41,049</u>
	2,761,265	2,801,747	2,584,592
Accretion	-	1,415	1,341
Amortization	100,000	108,375	103,376
	<u>\$ 2,861,265</u>	<u>\$ 2,911,537</u>	<u>\$ 2,689,309</u>

Town of Stellarton

Schedules to Consolidated Statement of Operations

Year Ended March 31

2026

2025

	Budget	Actual	Actual
Transportation services			
Common services			
Salary and wages	\$ 1,450,329	\$ 1,364,028	\$ 1,221,113
Equipment maintenance	310,200	231,435	246,893
Town barn operating	82,885	84,438	85,048
Road transport			
Salt	140,000	122,933	105,701
Street and sidewalk repairs	170,000	178,480	192,187
Street lighting	81,510	74,212	73,474
Traffic lights	18,000	11,232	22,528
Supplies	64,950	67,120	66,964
Equipment rental	40,000	24,614	12,921
Landscape and beautification	28,500	24,596	27,036
Miscellaneous	25,500	19,869	45,129
Public Transit	72,730	72,730	72,730
Interest on long term debt	132,178	109,650	63,763
	2,616,782	2,385,337	2,235,487
Amortization	1,000,000	1,045,586	1,080,016
	<u>\$ 3,616,782</u>	<u>\$ 3,430,923</u>	<u>\$ 3,315,503</u>

Environmental health services			
Sewage collection and disposal	\$ 479,873	\$ 484,860	\$ 460,305
Sewer maintenance	60,000	45,882	30,290
Solid waste collection, disposal and recycling	310,249	337,045	296,005
Interest on long term debt	61,340	53,554	9,992
	911,462	921,341	796,592
Amortization	200,000	229,311	218,935
	<u>\$ 1,111,462</u>	<u>\$ 1,150,652</u>	<u>\$ 1,015,527</u>

Environmental development services			
Planning and development	\$ 88,000	\$ 81,668	\$ 85,239
Marketing levy	-	139,093	135,182
Tourism	4,602	4,602	4,602
Loss on sale of land held for resale	-	-	-
Writedown of land held for resale	-	-	970,167
Interest on long term debt	27,931	26,676	29,136
	120,533	252,039	1,224,326
Amortization	5,000	6,695	6,695
	<u>\$ 125,533</u>	<u>\$ 258,734</u>	<u>\$ 1,231,021</u>

Town of Stellarton

Schedules to Consolidated Statement of Operations

Year Ended March 31

2026

2025

	Budget	Actual	Actual
Recreation and cultural services			
Recreation facilities			
Administration and programs	\$ 49,632	\$ 37,435	\$ 43,541
Parks and playgrounds	73,895	54,777	82,982
Community Centres	15,040	12,537	12,523
Share of Pictou County Wellness Centre	352,000	447,426	344,207
Wellness Centre - Deed Transfer Tax	100,000	190,224	157,003
Cultural buildings and facilities			
Regional library board	42,000	43,471	41,680
Branch library	31,150	46,746	25,338
Homecoming committee	22,000	21,262	23,354
	685,717	853,878	730,628
Accretion	-	2,550	3,884
Amortization	160,000	170,722	175,624
	<u>\$ 845,717</u>	<u>\$ 1,027,150</u>	<u>\$ 910,136</u>

Water treatment and distribution

Operating expenditures			
Source of supply	-	-	\$ 30,197
Power and pumping	184,545	164,501	153,912
Purification	701,335	663,679	648,342
Transmission and distribution	252,270	272,542	193,099
Administrative and general	40,500	59,303	32,491
Loss on disposal of assets	-	83,665	-
Interest on long term debt	48,636	46,453	50,729
	1,227,286	1,290,143	1,108,770
Amortization	586,000	579,501	467,161
	<u>\$ 1,813,286</u>	<u>\$ 1,869,644</u>	<u>\$ 1,575,931</u>

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2026

1. Summary of significant accounting policies

Principles and basis of consolidation

The consolidated financial statements of the Town of Stellarton (the "Town") are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants (CPA) Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Town and which are owned or controlled by the Town. These include the Town of Stellarton and the Town of Stellarton Water Utility.

Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of accounting

The basis of accounting followed in the consolidated financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) Fund accounting

Funds within the consolidated financial statements consist of the operating, capital and reserve funds for general operations and the water utility.

(d) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and impairment, which includes costs that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital asset is amortized on a straight-line basis using the following rates:

	<u>Years</u>
Buildings	10 - 40
Land improvements	5 - 25
Machinery and equipment	5 - 10
Vehicles	3 - 10
Engineered Structures	20 - 50

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2026

(d) Tangible capital assets (continued)

When conditions indicate that a tangible capital asset no longer contributes to the Town's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-downs of tangible capital assets are accounted for as expenses in the statement of operations and such write-downs are not reversed.

(e) Government transfers

Government transfers received are recognized in the consolidated financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

(f) Use of estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates in the consolidated financial statements include the allowance for doubtful accounts, amortization expense based on estimated useful lives of tangible capital assets and sick leave liability.

Additionally, the Town's implementation of PS 3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual results could differ from those estimates.

(g) Cash and cash equivalents

Cash and cash equivalents includes unrestricted cash of \$3,948,037 (2025 - \$3,049,756) and internally designated cash of \$1,814,599 (2025 - \$1,814,599). These totals include cash on hand and balances with banks.

(h) Revenue recognition

All non-government contributions or grant revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2026

(h) Revenue recognition (continued)

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Revenues earned from transactions with performance obligations include services provided to other local governments, sale of services and other revenue from own sources, and are recognized when the performance obligation is satisfied by providing the promised goods and/or services to the payor. Revenue from transactions with no performance obligations, if any, are recognized when a public sector entity has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset.

(i) Land held for resale

Costs incurred directly attributable to the development of land in the Albion Business Park were capitalized as part of the land cost.

(j) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus or deficit, provides the consolidated change in net debt for the year.

(k) Budget figures

The budget figures contained in these consolidated financial statements were approved by Council on April 8, 2025 in its original fiscal plan. They also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 10 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

(l) Financial instruments

The Town's financial instruments consist of receivables, accounts payable and accrued liabilities, and long term debt and are carried at cost which approximates their fair value.

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2026

(l) Financial instruments (continued)

Subsequent measurement

At each reporting date, the Town measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Town uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of revenues and expenses. The financial instruments measured at amortized cost are receivables, accounts payable and accrued liabilities, and long term debt. For financial assets measured at cost or amortized cost, the Town regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Town determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

(m) Deferred revenue

Deferred revenue relating to operations is recognized as related expenses occur.

Deferred revenue relating to capital projects is recognized in the period that the resources are used for the specified purposes outlined in its agreement and as the Town discharges its obligations, in accordance with the terms and conditions of the agreement.

Deferred Canada Community-Building Fund funding and other deferred revenue is recognized in the period in which the resources are used for the purposes specified.

(n) Contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized when the following criteria are met:

- i. An environmental standard exists;
- ii. Contamination exceeds the environmental standard;
- iii. The Town of Stellarton is directly responsible; or accepts responsibility; and
- iv. A reasonable estimate of the amount can be made.

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2026

(o) **Segmented information**

The Town of Stellarton is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Town's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual, and was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General government services

This department is responsible for the overall financial and local government administration. Its tasks include tax administration, trade payables and receivables, budgets, financial statements and adherence to the *Municipal Government Act*.

Protective services

This department is primarily responsible for public safety, fire protection and bylaw administration for its residents.

Transportation services

This department is responsible for the maintenance and construction of local roads and sidewalks including snow removal. It is also responsible for the street lighting within the Town.

Environmental health services

This department is responsible for the maintenance and operations of waste management and sewer services provided to the residents and other customers.

Environmental development services

This department is responsible for planning and development of the Town's resources for the benefit of the residents as well as regional economic development activities.

Recreation and cultural services

This department is responsible for promoting and offering recreation opportunities and activities for residents as well as maintaining or assisting recreational and cultural facilities within the Town.

Water treatment and distribution services

This department is responsible for the maintenance and operations of water services provided to residents and other customers.

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2026

(p) Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- i. There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- ii. The past transaction or event giving rise to the liability has occurred;
- iii. It is expected that future economic benefits will be given up; and
- iv. A reasonable estimate of the amount can be made.

The liability associated with the remediation of contaminants present within a number of buildings owned by the Town has been recognized based on estimated future expenses on closure of the sites and post-closure care.

The liability is discounted using a present value calculation and adjusted annually for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective capital assets. The increase to tangible capital assets is being amortized in accordance with the amortization accounting policies outlined above.

2. Taxes receivable	2026	2025
Balance, beginning of year	\$ 448,485	\$ 375,104
Current period tax and interest	8,459,496	8,205,834
	<u>8,907,981</u>	<u>8,580,938</u>
Less:		
Collections	(8,286,493)	(8,132,453)
Balance, end of year	<u>621,488</u>	<u>448,485</u>
Valuation allowance (Note 3)	(70,654)	(70,654)
Balance, net of valuation allowance end of year	<u>\$ 550,834</u>	<u>\$ 377,831</u>

3. Valuation allowance - uncollected taxes and rates	2026	2025
Balance, beginning of year	\$ 70,654	\$ 70,654
Change in allowance	-	-
Balance, end of year	<u>\$ 70,654</u>	<u>\$ 70,654</u>

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2026

4. Long term debt

	2026	2025
1.041 - 2.259% business park debenture maturing in fiscal 2032, repayable in equal annual principal instalments of \$220,000, interest payable semi-annually.	\$ 1,320,000	\$ 1,540,000
2.9915 - 3.2995% equipment debenture maturing in fiscal 2029, repayable in equal annual principal instalments of \$55,000, interest payable semi-annually.	165,000	220,000
3.141 - 3.551% sewer and paving debenture maturing in fiscal 2034, repayable in equal annual principal instalments of \$21,600, interest payable semi-annually.	388,800	410,400
2.218 - 2.712% equipment debenture maturing in fiscal 2030, repayable in equal annual principal instalments of \$28,500, interest payable semi-annually.	114,000	142,500
0.850 - 2.809% public works building debenture maturing in fiscal 2037, repayable in equal annual principal instalments of \$27,000, interest payable semi-annually.	567,000	594,000
2.908 - 4.119% public works building debenture maturing in fiscal 2038, repayable in equal annual principal instalments of \$8,400, interest payable semi-annually.	184,800	193,200
3.550 - 4.714% curbs and paving debenture maturing in fiscal 2044, repayable in equal annual principal instalments of \$24,750, interest payable semi-annually.	445,500	470,250
4.897 - 5.463% fire truck debenture maturing in fiscal 2039, repayable in equal annual principal instalments of \$44,667, interest payable semi-annually.	580,666	625,333
3.428 - 4.242% equipment debenture maturing in fiscal 2035, repayable in equal annual principal instalments of \$36,130, interest payable semi-annually.	325,170	361,300
2.72 - 4.847% sewerline and curb debenture maturing in fiscal 2045, repayable in equal annual principal instalments of \$83,200, interest payable semi-annually.	2,080,000	-
1.041 - 2.259% water capital debenture maturing in fiscal 2032, repayable in equal annual principal instalments of \$383,080, interest payable semi-annually.	2,298,482	2,681,562
	<u>\$ 8,469,418</u>	<u>\$ 7,238,545</u>

Principal repayments required during the next five years are as follows:

	Total
2027	\$ 1,015,527
2028	1,015,527
2029	1,015,527
2030	960,527
2031	932,027

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2026

5. Pension Plans

The Town has a defined contribution pension plan for all employees other than police officers.

For police officers, the Town contributes to a defined benefit plan administered by the Police Association of Nova Scotia ("PANS"). These plan assets are administered by PANS and the Town is responsible for contributing its portion of any going concern deficiency. The most recent actuarial valuation for this plan was completed for December 31, 2022 and indicated this plan is fully funded on a going concern basis with assets exceeding the actuarial liabilities by \$14,093,300.

On a solvency basis the actuarial liabilities exceed the value of assets by \$1,785,800. Under changes to the Regulations of the Nova Scotia Pension Benefits Act in 2012, effective January 1, 2013 the Town is exempted from funding on a solvency basis.

The Town recognized pension expense of \$126,433 for the defined contribution plan in the year ending March 31, 2026 (2025- \$117,169).

The Town's 2026 contribution to the police pension representing current year contributions was \$126,205 (2025- \$106,697).

6. Other

Total remuneration and expenses paid to elected and senior appointed officials of the Town are as follows:

	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
Stroud	Mayor	26,034	2,148	28,182
Eis	Councillor / Deputy Mayor	18,210	360	18,570
Campbell	Councillor	17,158	-	17,158
Fortune	Councillor	17,158	-	17,158
Pentz	Councillor / Deputy Mayor	17,910	-	17,910
Higdon	CAO	39,362	-	39,362
Grover	CAO	71,710	4,748	76,458

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2026

7. Commitments

Pictou County Wellness Centre Building Authority and Aberdeen Hospital Renovation Project

The Town of Stellarton has implemented a deed transfer tax on all properties sold in the town. The proceeds from this tax will be contributed to the Pictou County Wellness Centre project as well as towards the renovations and improvements to the Aberdeen Hospital. Since these projects will benefit all residents of Pictou County, a similar tax has been implemented by other municipalities within the County. During the year ending March 31, 2025 the amount transferred was \$190,224 (2025 - \$157,003).

In addition to the contributions through deed transfer tax, the municipal units have also provided guarantees for borrowings not exceeding \$12,770,240 for the purposes of constructing and retrofitting the Pictou County Wellness Centre and \$8,700,000 for the Aberdeen Hospital Renovation project. The Town's share of the guarantee of the borrowing is based on the Town's total population of Pictou County.

Tourism Marketing Levy

The Town of Stellarton has implemented a tourism marketing levy on the purchase price of accommodations. The proceeds from this levy will be contributed to DEANS Tourism Association to be used to promote Pictou County. A similar levy has been implemented by other municipalities within Pictou County. During the year ending March 31, 2026 the amount transferred was \$139,093 (2025 - \$135,182).

8. Contingencies

There are claims and litigation in which the Town is involved that arise out of the ordinary course of operations. These claims are being handled by the Town's insurers. The outcome of these actions is not determinable as at the date of reporting. Management believes that any liability which may result from the resolution of these actions will either be covered by the Town's insurers or will not be material to the Town's financial position.

9. Asset retirement obligation

The Town's asset retirement obligation consists of the liability for the remediation of contaminants present within a number of buildings owned by the Town. These contaminants represent a health hazard upon demolition and therefore there is a legal obligation for removal of these contaminants on decommissioning. Following the adoption of PS 3280 - Asset Retirement Obligations, the Town recognized an obligation relating to this remediation of contaminants as estimated as at April 1, 2022. These buildings have expected useful lives ranging from 2 to 16 years. Estimated costs have been discounted to the present value using the discount rate of 5.5% per annum.

Changes to the asset retirement obligation in the year are as follows:

	<u>2026</u>	<u>2025</u>
Balance, beginning of year	\$ 229,327	\$ 218,229
Accretion expense	10,161	11,098
Balance, end of year	<u>\$ 239,488</u>	<u>\$ 229,327</u>

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2026

10. Budget figures

Public Sector Accounting Standards ("PSA") require a comparison of the results for the period with those originally planned on the same basis as that used for the actual results. The fiscal plan presented in the Consolidated statement of operations and Consolidated statement of changes in net debt has been adjusted to be presented on a basis consistent with the actual results. A reconciliation of the approved and reported budgets is set out below:

	Budget
Approved budgeted deficit for the year	
General operations	\$ -
Water utility operations	(150,285)
Approved budget deficit	(150,285)
Add:	
Grants for tangible capital assets	1,449,800
Capital debt repayments	849,128
Less:	
Annual amortization	(1,485,000)
Net PSA adjustments	813,928
PSA adjusted budgeted deficit for the year	\$ 663,643

11. Deferred revenue

	2026	2025
Provincial GRID Program	\$ 358,252	\$ 1,384,114
Provincial Recreation Facilities Upgrade	296,365	150,000
Canada Community-Building Fund	23,522	-
Sustainable Services Growth Fund	-	-
Other	337,095	208,812
	<u>\$ 1,015,234</u>	<u>\$ 1,742,926</u>
Balance, beginning of year	\$ 1,742,926	\$ 806,418
Contributions from:		
Canada Community-Building Fund	357,822	344,309
Provincial GRID Program	-	1,384,114
Provincial Recreation Facilities Upgrade	150,000	150,000
Other	128,283	7,323
	<u>636,105</u>	<u>1,885,746</u>
Utilized for:		
Canada Community-Building Fund	(334,300)	(471,579)
GRID	(1,025,862)	(477,659)
Provincial Recreation Facilities Upgrade	(3,635)	-
Other	-	-
	<u>(1,363,797)</u>	<u>(949,238)</u>
Balance, end of year	<u>\$ 1,015,234</u>	<u>\$ 1,742,926</u>

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2026

12. Sick leave benefit liability

Section 3255 of the CPA Canada Public Sector Accounting Handbook requires that a liability and expense be recorded for compensated absences that are both accumulating and non-vesting as well as vesting and accumulating. The valuation of the non-vesting accumulating sick leave benefits provided to employees of the Town was completed as at March 31, 2024. The fiscal 2026 amounts were projected from the March 31, 2024 valuation.

Actuarial Method:

The actuarial cost was determined using the "Projected Unit Credit" method.

Components of benefit expense under PS 3255:

	2026	2025
Current period benefit expense	\$ 52,200	\$ 49,500
Interest expense	20,500	18,900
Total sick leave benefit expense	<u>\$ 72,700</u>	<u>\$ 68,400</u>

Accrued sick leave benefit liability on the consolidated statement of financial position:

	2026	2025
Balance, beginning of year	\$ 457,000	\$ 424,200
Benefit expense	52,200	49,500
Interest expense	20,500	18,900
Benefit payments	(49,400)	(35,600)
Balance, end of year	<u>\$ 480,300</u>	<u>\$ 457,000</u>

Assumptions:

Discount rate	5.00% per annum
Salary growth rate	Police 3.0%; Other 2.0% per annum
Payroll taxes	20%
Withdrawal prior to retirement	Ontario Medium Table of rates
Retirement age	Police age 62; Other age 65
Current year sick leave utilization	8.7 days each year

Plan Provisions:

The main provisions of the program are as follows.

- Eligible employees are granted 18 sick leave days per year prorated for those employed less than full-time.
- Employees may accumulate 100% of their unused sick days to a maximum of 180 days for police and 175 days for other employees.
- Unused accumulated sick leave at termination or retirement is forfeited.

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2026

13. Financial instruments

In the normal course of operations, the Town is exposed to a number of risks in relation to financial instruments. The following analysis provides a measure of the Town's risk exposures and concentrations as March 31, 2026:

Credit risk

The Town is exposed to credit risk through its receivables. Credit risk arises from the possibility that the entities and residents to which the Town provides services may experience financial difficulty and be unable to fulfil their obligations. Management believes the reserves for uncollectable balances appropriately addresses the risk of loss.

Liquidity risk

Liquidity risk is the risk that the Town will encounter difficulty in meeting the obligations associated with its financial liabilities. The Town is exposed to this risk through its payables and accruals and long term debt. Management believes that it has access through its working capital to sufficient funds to sustain operations and meet the Town's obligations as they come due.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in the fair value or future cash flows of financial instruments because of changes in market interest rates. The Town is exposed to interest rate risk on its fixed interest rate financial instruments through its long-term debt. The fixed-rate instruments subject the Town to a fair value risk.

14. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

Town of Stellarton

Consolidated Schedule of Tangible Capital Assets

March 31, 2026

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	2026	2025
Cost:								
Balance, beginning of year	\$ 637,720	\$ 4,843,675	\$ 9,648,924	\$ 49,098,081	\$ 5,096,136	\$ 2,279,851	\$ 71,604,387	\$ 66,289,457
Acquisition of tangible capital assets	-	38,027	-	2,038,824	685,847	-	2,762,698	5,800,331
Disposal of tangible capital assets	-	-	-	(116,963)	(530,230)	(21,951)	(669,144)	(485,401)
Construction-in-process	-	-	-	-	-	-	-	-
Balance, end of year	637,720	4,881,702	9,648,924	51,019,942	5,251,753	2,257,900	73,697,941	71,604,387
Accumulated amortization:								
Balance, beginning of year	-	3,099,306	6,400,241	20,077,377	2,473,776	1,445,407	33,496,107	31,813,194
Disposal of tangible capital assets	-	-	-	(116,963)	(402,122)	(21,951)	(541,036)	(407,832)
Amortization of asset retirement obligations	-	-	11,203	-	-	-	11,203	19,185
Annual amortization	-	158,987	274,237	1,248,062	319,204	167,435	2,167,925	2,071,560
Balance, end of year	-	3,258,293	6,685,681	21,208,476	2,390,858	1,590,891	35,134,199	33,496,107
Net book value of tangible capital assets	\$ 637,720	\$ 1,623,409	\$ 2,963,243	\$ 29,811,466	\$ 2,860,895	\$ 667,009	\$ 38,563,742	\$ 38,108,280
2025 Net book value of tangible capital assets	\$ 637,720	\$ 1,744,369	\$ 3,248,683	\$ 29,020,704	\$ 2,622,360	\$ 834,444	\$ 38,108,280	

Town of Stellarton

Consolidated Schedule of Segmented Disclosure

March 31, 2026

March 31, 2026

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Cultural Services	Water	Consolidated
Revenue								
Taxes	\$ 1,000,502	\$ 2,123,780	\$ 2,751,313	\$ 923,910	\$ 193,066	\$ 817,693	\$ -	\$ 7,810,264
Water rates	-	-	-	-	-	-	2,040,782	2,040,782
Grants in lieu of taxes	27,283	57,914	75,026	25,194	5,265	22,298	-	212,979
Services provided to other local governments	-	161,155	-	-	-	-	-	161,155
Sale of services	-	5,394	-	-	18,287	8,782	-	32,463
Other revenue from own sources	401,674	18,240	-	-	-	-	33,206	453,120
Unconditional transfers from other governments	64,138	136,147	176,375	59,228	12,377	52,419	-	500,684
Conditional transfers from other governments	-	100,000	4,396	-	-	-	-	104,396
Capital contributions and grants	45,000	-	-	876,342	-	3,635	483,820	1,408,797
	<u>\$ 1,538,597</u>	<u>\$ 2,602,629</u>	<u>\$ 3,007,110</u>	<u>\$ 1,884,675</u>	<u>\$ 228,994</u>	<u>\$ 904,827</u>	<u>\$ 2,557,808</u>	<u>\$ 12,724,640</u>
Expenses								
Salaries, wages and benefits	\$ 616,252	\$ 2,180,655	\$ 1,364,028	\$ -	\$ -	\$ 19,556	\$ 452,910	\$ 4,633,401
Operating materials and supplies	134,918	191,322	625,173	45,882	-	113,279	617,205	1,727,779
Contracted services	190,490	359,946	217,495	821,905	220,761	681,121	65,392	2,557,110
Rents and financial expenses	110,906	69,824	178,641	53,554	26,676	18,660	70,968	529,229
Community grants and exemptions	158,633	-	-	-	4,602	21,262	-	184,497
Accretion	6,196	1,415	-	-	-	2,550	-	10,161
Amortization & writedowns	28,646	108,375	1,045,586	229,311	6,695	170,722	663,166	2,252,501
	<u>\$ 1,246,041</u>	<u>\$ 2,911,537</u>	<u>\$ 3,430,923</u>	<u>\$ 1,150,652</u>	<u>\$ 258,734</u>	<u>\$ 1,027,150</u>	<u>\$ 1,869,641</u>	<u>\$ 11,894,678</u>

Town of Stellarton

Consolidated Schedule of Segmented Disclosure

March 31, 2026

March 31, 2025

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Cultural Services	Water	Consolidated
Revenue								
Taxes	\$ 1,088,487	\$ 1,794,978	\$ 2,422,349	\$ 743,388	\$ 885,468	\$ 659,772	\$ -	\$ 7,594,443
Water rates	-	-	-	-	-	-	1,818,572	1,818,572
Grants in lieu of taxes	30,334	50,023	67,507	20,717	24,676	18,387	-	211,644
Services provided to other local governments	-	131,847	-	-	-	-	-	131,847
Sale of services	-	5,381	-	-	21,402	8,835	-	35,618
Other revenue from own sources	418,323	22,093	-	-	-	-	33,206	473,622
Unconditional transfers from other governments	71,761	118,339	159,700	49,010	58,377	43,497	-	500,684
Conditional transfers from other governments	-	100,000	6,384	-	-	-	-	106,384
Capital contributions and grants	-	30,000	1,012,044	650,704	-	-	559,133	2,251,881
	<u>\$ 1,608,905</u>	<u>\$ 2,252,661</u>	<u>\$ 3,667,984</u>	<u>\$ 1,463,819</u>	<u>\$ 989,924</u>	<u>\$ 730,491</u>	<u>\$ 2,410,911</u>	<u>\$ 13,124,695</u>
Expenses								
Salaries, wages and benefits	\$ 602,174	\$ 1,955,986	\$ 1,221,115	\$ -	\$ -	\$ 25,795	\$ 433,472	\$ 4,238,542
Operating materials and supplies	189,408	227,144	646,088	30,290	-	121,549	507,268	1,721,747
Contracted services	322,434	335,238	253,721	756,310	220,421	542,890	92,811	2,523,825
Rents and financial expenses	122,207	66,224	114,563	9,992	29,136	17,040	75,219	434,381
Community grants and exemptions	138,832	-	-	-	4,602	23,354	-	166,788
Accretion	5,873	1,341	-	-	-	3,884	-	11,098
Amortization & writedowns	106,030	103,376	1,080,016	218,935	976,862	175,624	467,161	3,128,004
	<u>\$ 1,486,958</u>	<u>\$ 2,689,309</u>	<u>\$ 3,315,503</u>	<u>\$ 1,015,527</u>	<u>\$ 1,231,021</u>	<u>\$ 910,136</u>	<u>\$ 1,575,931</u>	<u>\$ 12,224,385</u>

SUPPLEMENTARY SCHEDULES

Town of Stellarton
Supplementary Schedules
Water Utility Operating Fund
Schedule of Financial Position

March 31	2026	2025
Assets		
Cash	\$ 672,970	\$ 672,970
Receivables		
Rates (less allowance for doubtful accounts - \$12,000; 2025 - \$12,000)	169,887	152,488
Prepays	13,208	-
Due from own funds and agencies		
General operating fund	875,361	464,413
	<u>\$ 1,731,426</u>	<u>\$ 1,289,871</u>
Liabilities		
Payables and accruals	\$ 51,970	\$ 106,861
Deferred revenue	35,681	30,031
Due to own funds and agencies		
Water capital fund	946,974	413,784
	<u>1,034,625</u>	<u>550,676</u>
 Equity		
Surplus	698,253	739,195
	<u>\$ 1,732,878</u>	<u>\$ 1,289,871</u>

Town of Stellarton

Supplementary Schedules

Water Utility Operating Fund

Schedule of Financial Operations

Year ended March 31

	2026		2025
	Budget	Actual	Actual
Operating revenue			
Metered sales	\$ 348,920	\$ 343,211	\$ 306,838
Flat rate sales	1,286,200	1,318,155	1,170,774
Public fire protection	776,190	776,190	695,764
Investment earnings	10,000	16,981	23,350
Special services	4,200	3,840	4,300
	<u>2,425,510</u>	<u>2,458,377</u>	<u>2,201,026</u>
Operating expenditures			
Source of supply	-	-	30,197
Power and pumping	184,545	164,501	153,912
Purification	701,335	663,679	648,342
Transmission and distribution	252,270	272,542	193,099
Administration and general	281,000	299,803	267,666
Depreciation	586,000	530,332	424,282
Taxes	138,929	138,929	138,929
	<u>2,144,079</u>	<u>2,069,786</u>	<u>1,856,427</u>
Operating income	<u>281,431</u>	<u>388,591</u>	<u>344,599</u>
Non-operating expenditures			
Debt charges			
Interest	48,636	46,453	50,729
Principal	383,080	383,080	383,080
	<u>431,716</u>	<u>429,533</u>	<u>433,809</u>
Excess of expenditures over revenue	<u>\$ (150,285)</u>	<u>(40,942)</u>	<u>(89,210)</u>
Surplus, beginning of year		<u>739,195</u>	<u>828,405</u>
Surplus, end of year		<u>\$ 698,253</u>	<u>\$ 739,195</u>

Town of Stellarton
Supplementary Schedules
Water Utility Capital Fund
Schedule of Financial Position

March 31	2026	2025
Assets		
Cash	\$ 518,846	\$ 518,846
Due from own funds and agencies		
Water utility operating fund	945,522	413,784
General operating fund	-	-
Utility plant and equipment (page 32)	<u>24,997,998</u>	<u>23,685,560</u>
	<u><u>\$ 26,462,366</u></u>	<u><u>\$ 24,618,190</u></u>
Liabilities		
Payables and accruals	\$ -	\$ -
Due to own funds and agencies		
General operating fund	1,777,441	744,428
Accumulated allowance for depreciation	8,543,620	8,078,444
Deferred contributions (net of accumulated amortization of \$492,758; 2025 - \$433,297)	3,723,566	3,299,208
Debt		
Province of Nova Scotia	<u>2,298,482</u>	<u>2,298,482</u>
	<u>16,343,109</u>	<u>14,420,562</u>
Equity		
Investment in capital assets (page 32)	<u>10,119,257</u>	<u>9,814,548</u>
	<u><u>\$ 26,462,366</u></u>	<u><u>\$ 24,235,110</u></u>

Town of Stellarton
Supplementary Schedules
Water Utility
Schedule of Investment in Plant and Equipment

March 31	2026	2025
Land and rights	\$ 68,583	\$ 68,583
Structures and improvements		
Buildings	47,908	47,908
Reservoirs	4,094,335	4,094,335
Water treatment plant	6,011,546	6,011,546
Pumping equipment	187,866	187,866
Purification equipment	810,968	783,753
Transmission mains	1,737,961	1,737,961
Distribution mains	9,353,316	8,413,397
Services	113,316	113,316
Meters	1,160,118	1,160,118
Hydrants	383,974	356,254
Equipment	864,621	547,037
Weir	163,486	163,486
	<u>\$ 24,997,998</u>	<u>\$ 23,685,560</u>

Schedule of Investment in Capital Assets

Year ended March 31	2026	2025
Balance, beginning of year	\$ 9,814,548	\$ 9,421,612
Interest earned on depreciation funds	3,493	9,856
Term debt retired	383,080	383,080
Loss on disposition of asset	(81,864)	-
	<u>304,709</u>	<u>392,936</u>
Balance, end of year	<u>\$ 10,119,257</u>	<u>\$ 9,814,548</u>

Schedule of Depreciation Funds

Year ended March 31	2026	2025
Balance, beginning of year	\$ 188,202	\$ 660,494
Interest earned on depreciation funds	3,493	9,856
Assets acquired	(1,035,100)	(906,430)
	<u>530,332</u>	<u>424,282</u>
	<u>(501,275)</u>	<u>(472,292)</u>
Balance, end of year	<u>\$ (313,073)</u>	<u>\$ 188,202</u>
Consisting of:		
Cash in bank	\$ 518,846	\$ 518,846
Payables and accruals	-	-
Due from (to) general operating fund	(1,777,441)	(744,428)
Due from (to) water utility operating fund	945,522	413,784
	<u>\$ (313,073)</u>	<u>\$ 188,202</u>